

ECONOMIC, SMALL BUSINESS, AND CONSUMER IMPACT STATEMENT¹

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

1. Identification of the rulemaking:

The ASRS needs to amend six rules in Article 6. The rules need to reflect statutory language and time frames. For example, the term “individual” should be changed to “person” to be more consistent with A.R.S. § 1001 et seq; R2-8-605 needs to reflect that a person may object to a rule if they believe it is not the least burdensome and costly method. These amendments will ensure the public has notice of how they may participate in the ASRS rulemaking process, including what a person’s options may be if the person disputes a rule. Ultimately, this will establish a more certain and robust rulemaking process for the ASRS, lending itself to the equitable promulgation of more effective rules, which, in turn, will result in the more effective administration of the ASRS.

a. The conduct and its frequency of occurrence that the rule is designed to change:

The rules contained in 2 A.A.C. 8, Article 6 inform the public of how they become involved with the rulemaking process at ASRS. However, the rules need to be updated to:

1. be more consistent with statutory language,
2. provide a longer timeframe for the ASRS to make a decision on a rulemaking petition, and
3. to clarify the requirements for a person to petition the ASRS based on an objection to the economic impact.

These changes will ensure the public has notice of who may become involved in the rulemaking process, and how to become involved at certain stages of the rulemaking process.

b. The harm resulting from the conduct the rule is designed to change and the likelihood it will continue to occur if the rule is not changed:

The rulemaking process is designed to allow and protect public participation. The rules in 2 A.A.C. 8, Article 6 describe how a person can become involved in the

¹ If adequate data are not reasonably available, the agency shall explain the limitations of the data, the methods used in an attempt to obtain the data, and characterize the probable impacts in qualitative terms. (A.R.S. § 41-1055(C)).

rulemaking process. However, if these rules are not amended, the public may not be aware of how to petition the ASRS for specific rulemaking endeavors which would compromise the ability of people to become involved in the rulemaking process.

c. The estimated change in frequency of the targeted conduct expected from the rule change:

This rulemaking will clarify how people may become involved with the rulemaking process and what information is required from a person in order to make certain rulemaking petitions. Such clarification will ensure the rules are more readable and consistent with statute, which ultimately reduces the regulatory burden imposed on the public and encourages participation in the rulemaking process.

2. A brief summary of the information included in the economic, small business, and consumer impact statement:

There is little to no economic, small business, or consumer impact, other than the minimal cost to the ASRS to prepare the rule package. The rules will have minimal economic impact, if any, because the rulemaking simply clarifies statutory requirements that already exist. The Arizona Administrative Procedures Act allows people to petition the agency regarding the agency's rules. The rules in Article 6, simply clarify how people may submit particular petitions and further participate in the agency's rulemaking process. These amendments will clarify the rulemaking process for the public and such clarification will increase the understandability of the rules. Thus, the economic impact is minimized.

3. The person to contact to submit or request additional data on the information included in the economic, small business, and consumer impact statement:

Name: Jessica A.R. Thomas, Rules Writer
Address: Arizona State Retirement System
3300 N. Central Ave., Suite 1400
Phoenix, AZ 85012-0250
Telephone: (602) 240-2039
E-mail: JessicaT@azasrs.gov

4. Persons who will be directly affected by, bear the costs of, or directly benefit from the rulemaking:

In general, all members of the public will be directly affected by, bear the costs of, and directly benefit from this rulemaking. The ASRS incurred the cost of the rulemaking. The ASRS currently has a total membership of approximately 558,136.

Specifically, members of the public who want to become involved in the rulemaking process at the ASRS will be directly affected by this rulemaking. This rule will clarify how a person can provide comments on rule language throughout the rulemaking process and petition the ASRS for certain rulemaking actions. Such clarification will benefit the public and the ASRS by increasing the readability of certain requirements for public participation in the rulemaking process. This readability, in turn, will increase the public's ability to become involved in the rulemaking process and ultimately lend itself to a more robust and cohesive rulemaking process at the ASRS. A clearer, more robust and cohesive rulemaking process will produce more effective rules, which will lead to more effective administration of the ASRS.

5. Cost-benefit analysis:

- a. Costs and benefits to state agencies directly affected by the rulemaking including the number of new full-time employees at the implementing agency required to implement and enforce the proposed rule:

All members of the public are directly affected by this rulemaking because it clarifies how the public may become involved in the rulemaking process. However, the ASRS has determined that no new full-time employees will be required to implement and enforce the rule.

- b. Costs and benefits to political subdivisions directly affected by the rulemaking:

Although political subdivisions may be directly affected by the rulemaking to the extent they are ASRS employers, this rulemaking does not provide any benefits or impose any costs on political subdivisions.

- c. Costs and benefits to businesses directly affected by the rulemaking:

No businesses are directly affected by the rulemaking.

6. Impact on private and public employment:

The rulemaking will have no impact on private or public employment, except to the extent that all members of the public will be better able to become involved in the rulemaking process.

7. Impact on small businesses²:

a. Identification of the small business subject to the rulemaking:

No businesses, regardless of size, are subject to the rulemaking.

b. Administrative and other costs required for compliance with the rulemaking:

Not applicable.

c. Description of methods that may be used to reduce the impact on small businesses:

Not applicable.

8. Cost and benefit to private persons and consumers who are directly affected by the rulemaking:

All members of the public are directly affected by the rulemaking. The effect has been previously described above.

9. Probable effects on state revenues:

There will be no effect on state revenues.

10. Less intrusive or less costly alternative methods considered:

The ASRS believes this is the least costly and least intrusive method because it will clarify the statutory requirements for becoming involved in the rulemaking process without imposing any additional requirements on the public.

² Small business has the meaning specified in A.R.S. § 41-1001(20).